

ASSOCIATED PRESS
3 DECEMBER 1982

Synfuels Plants in 3 States Advance Toward US Aid
By MARTIN CRUTSINGER
WASHINGTON

Multimillion-dollar synthetic fuel plants in California, New Mexico and North Carolina received word today they have advanced a step closer to getting government assistance, and a Wyoming project was given a new lease on life.

The actions were announced by the Synthetic Fuels Corp., the government agency created to hand out \$15 billion in government subsidies to spur development of plants manufacturing liquid and gaseous fuels from oil shale, coal and other materials.

The corporation, which was created by Congress in 1980, has yet to hand out any assistance. It is under growing pressure to start the money flowing or risk being abolished by Congress, which is looking for ways to trim record budget deficits.

The corporation's seven-member board struggled with these problems during a day-long meeting Thursday and the actions were announced today.

Corporation chairman Edward Noble said three projects have progressed to the point that he may sign letters of intent to provide financing before the end of the month.

The three projects are the First Colony peat-to-methanol project in North Carolina; the Santa Rosa oil sands project in New Mexico and the Calsyn heavy oil conversion project in California.

One of the sponsors of the First Colony project is the Energy Transition Corp., whose stockholders include CIA Director William J. Casey.

The board also voted to extend until April a deadline for concluding negotiations with sponsors of the Hampshire coal liquefaction project in Wyoming.

Hampshire and another coal-to-liquid-fuel project in Breckinridge County, Ky., suffered big setbacks when they lost major oil company sponsors recently. The two plants had been the finalists for the first awards, which were expected by late November.

The remaining Hampshire sponsors are searching for a company to replace Standard Oil Co. (Ohio), which wrote off millions of dollars of investment when it abandoned the project in October.

Breckinridge was dropped from further consideration by the board. Ashland Oil Corp. announced last week that it was abandoning a plant it had worked on in Kentucky for more than 10 years.

The Breckinridge project fell victim to the same economic problems that have caused the cancellation of other synthetic fuel plants — falling crude oil prices and the massive capital investment needed to build such large ventures.